

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

October 26, 2011

Mr. Raj Date
Special Advisor to the
Secretary of the Treasury
Consumer Financial Protection Bureau
1500 Pennsylvania Avenue, NW
Attn: 1801 L Street
Washington, DC 20220

Dear Mr. Date:

As you know, Regulation E, implementing the Electronic Funds Transfer Act, requires ATM operators to display two prominent notices that they will charge consumers a fee for making cash withdrawals from the machine. One notice is a physical sticker or placard attached to the ATM. The second notice must appear on the ATM's video screen during a transaction. An ATM owner/operator must also give the consumer the right to decline to pay the fee and terminate the transaction.

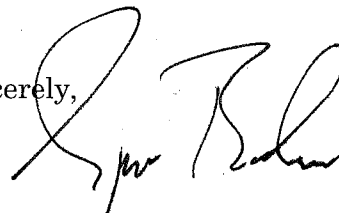
Regulation E imposes strict civil liability for failing to make both disclosures. ATM operators have shared evidence that vandals are removing the physical stickers, thereby permitting someone to sue ATM operators because of the absence of the sticker. Apparently, disclosure lawsuits are becoming more common throughout the country. If unchecked, the cost of defending such lawsuits could potentially limit access to ATM services in areas not serviced by larger, bank-owned ATMs.

Since ATMs are now technologically capable of giving consumers an on-screen fee notice, which was not the case when Regulation E was amended in 2002, some have suggested that the dual notification requirement is outdated. To assist the Financial Services Committee as it considers this issue, your answers to the following questions are requested:

- Does the CFPB agree?
- Do stickers provide important information to the consumer that video screens do not?
- Are consumers adequately protected by the on-screen notices?
- Does the CFPB have the authority to amend Regulation E to address this issue?

The Committee looks forward to your response by November 28, 2011 on this important matter.

Sincerely,



SPENCER BACHUS
Chairman